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Connections

Official Publication of the
Association of Texas Appraisers, Inc.



Ian Martinez, ATA-R
ATA President

Greetings fellow ATA Members:

According to Chaucer, "Time and tide wait for no man." Most of us recognize the quote as: "Time flies when you're having fun." It certainly has for me. This is the last article I write as President of the

ATA. I have also fulfilled my term on the Board of Directors. It has been a true pleasure to serve in this excellent organization. Once again, I would like to encourage every member reading this to consider how you can serve in the ATA. Your active participation in this association is essential to its continued growth and effectiveness. It's also fundamental to the key ideas we discussed in previous articles.

Recall that last September we examined the idea that "...when an organization and education interact...they strengthen each other and they are mutually supportive." The Association of Texas Appraisers continues taking progressive steps to carry on that support through relevant and reasonably priced educational offerings, as well as professional networking opportunities for real estate appraisers and other interested parties in the State of Texas. That is the foundation of our mission as an association. It has proven to serve membership well and it remains our consistent goal.

Then in December, we discussed the concept of spending enough time working on the tools of our profession and not just the tasks. We applied, as an illustration, how essential it is that we keep our "axes" sharp. We do this by learning new skills and sharpening old ones, thereby becoming more capable appraisers. We can also

find and create new ways to remain relevant in our industry. So, if we continue to learn what to apply and then to apply what we learn, and if we tap into a good support system to acquire new ideas and learn how to implement them, we can maintain ourselves as useful tools. Those are also distinct benefits of membership in the ATA.

Finally, in March we expanded on the idea of learning from each other as we considered a quote from Sanders A. Kahn: "...we have much to learn from each other...we owe much of our professional development to exchanges with our colleagues...". We then applied that idea to the greater-than-ever opportunity that we had for such development during the 13th Mid-Year Meeting, our highest attended event ever. I was stimulated by the interchange of thoughts and ideas during the conference and while networking with fellow appraisers. I believe these worthwhile events are very good opportunities for each of us to learn, develop and grow.

I think these ideas are important. Why? There's no question that our profession is changing. Profoundly changing. And it's ultimately up to each of us to find our way to maintain relevance. But not only to function as a useful cog in a massive mortgage machine. No. For many of us, the reason we got into this profession in the first place was to build our great business, whatever that vision was. But perhaps in the grind of a busy daily routine, some of us have somehow lost the spark of creativity that we must maintain to build what we first envisioned. That is certainly what happened to me. I studied, I learned, I practiced, I improved...and I found my groove. It was familiar, it made money and kept me very busy. But it became monochrome. The thing about grooves is when we find ours, we tend to stay in it until it's five feet eleven inches deep. Then we realize it's killing us. Mediocrity can wipe out a business. It's easy to out-innovate a company that continues to churn out the same product or service.

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Upcoming Industry Meetings:

- TAFAC and IAC Joint Meeting, June 27, Crystal City, VA
- ATA 14th Annual Meeting and Education Conference, Aug 9-10, Georgetown, TX
- Appraisal Summit, Sept. 15-17, Las Vegas, NV
- TAF IAC meeting, Oct. 17, Washington, DC
- ASB Public Meeting, Oct. 18, Washington, DC
- AARO Fall Conference, Oct. 18-21, Washington, DC
- AQB Public Meeting, Nov. 1, St. Petersburg, FL
- TAF Board of Trustees Meeting, Nov. 14-16, Kansas City, MO

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From the President (con't)

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Sometimes, a little shift can be a catalyst for big results. But other times, a full-scale change is needed to get us out of a rut and show us a better, more efficient, more creative way. I think that's where many of us are today. Change can be very agitating and we may be inclined to ignore, or even to strongly resist it, but it's inevitable. However, as Frederick Douglass wrote: if we "depreciate the agitation", we "are like those who want rain without thunder and lightning." Progress never occurs without some change to the familiar and breakthroughs are not born in our comfort zone. They are captured in uncertainty and complexity. The key is not to avoid the lack of familiarity, but find ways to ignite it ourselves to build bigger and better results for our businesses.

That's where I believe the ATA really shines. It provides the educational and networking opportunities that we need to ignite sparks and discover nuances we hadn't seen before and connections we'd never made. The sharing of thoughts and ideas, introducing ourselves to the unfamiliar and opening up to new possibilities for efficiency and innovation. That's how we keep our "axes" sharp. That's how our education and organization are mutually supportive. If we all actively participate in our organization, then we learn from each other and develop professionally. We strengthen each other, learn and grow.

Thank you for continued support of the Association of Texas Appraisers. It has been an honor to serve as your President over the last year. I look

forward to continuing my own growth and development along with each of you.

Jan Martinez

Some of the concepts presented in this article were influenced by points in: *The Spark* and *The Grind*, by Eric Wahl, Penguin Random House.



State Appraisal Organization Leadership Meeting in Salt Lake City, UT

Board of Director Nominees

The ATA Nominating Committee (which is comprised of Past-President Curt Myrick, ATA-R, President Ian Martinez, ATA-R) and Vice-President Ken Pruett, ATA-R) has finalized their work and are pleased to announce that the following individuals have been nominated to run for election to the ATA Board of Directors at the business meeting to be held on August 9th in Georgetown:

- Anna DeMoss, ATA-R, Houston
- Laurie Fontana, ATA-R, Houston

- Kim Mitchell, ATA-R, Garden Ridge
- Ken Pruett, ATA-R, San Antonio
- Roy Thompson, Burnet

There will be three director positions to fill during the election as the terms of Laurie Fontana, ATA-R, Ian Martinez, ATA-R and Ken Pruett, ATA-R will be expiring.

Thank you to all of the above members who have agreed to

serve if elected, and good luck during the elections.

The nomination process will be held electronically during our Annual Meeting.



Board of Directors

New and Designated Members

The ATA President and Board of Directors would like to welcome our newest members:

Martin Cangelose, College Station
Breanna Lopez, Victoria
John Ryan, Houston

Welcome!

Congratulations to those who were recently awarded designations:

Carles Alan Webb, Jr., ATA-R
Alecia Martinez, ATA-R

If you are interested in applying for a designation with ATA, please go to our website, www.txappraisers.org, and click on the Join Us link and download the Designation Application.

ATA Upcoming Meetings



The **ATA Corpus Christi Meeting** will be held on June 21 at Del Mar College, 3209 S. Staples, Corpus Christi, TX 78411 Room 106. (At the corner of Staples/Kostoryz) from 8:00 a.m. to 5:00 p.m.)

We will offer *Residential Sales Analysis – The Adjustment Process*, an 8 hour course. This course explores fundamental skills of developing a residential Sales Comparison Approach focusing on the evidence of support for adjustments. The instructor for this course will be Pam Teel, ATA-G.

Hotel Accommodations

Because this meeting is not at a hotel, ATA did not reserve a room block. Please feel free to stay anywhere you like in Corpus. The following hotels are located within 5 miles of the college.

- Courtyard by Marriott, 5133 Flynn Pkwy, 361-808-8400
- Holiday Inn Express 5213 Oakhurst, 361-857-7772
- Embassy Suites 4337 S Padre Island Dr, 361-853-7899

ACE/MCE Hours

Course is approved for 8 Hours of ACE (No. 36691). MCE Approval pending.

Registration Fees

The fee to attend the Corpus Christi meeting is \$100 for ATA members and \$200 for non-members. Prices increase \$20 14 days prior to the meeting so register early! (Fees include breaks and lunch.)

Thank you to Del Mar College for providing the meeting space.

ATA's 14th Annual Meeting and Education Conference will be held August 9-10 at the Sheraton Georgetown Texas Hotel and Conference Center, 1101 Woodlawn Avenue, Georgetown, TX 78628. The following events will be held at this annual meeting:

- Friday morning - 8:00 a.m. - Noon - TREC Legal II (Separate Registration Fee) The instructor will be Dawn Lavka.
- Friday morning - 9:00 a.m. - 11:00 a.m. ATA Board of Directors Meeting (Session 1)
- Friday afternoon - 12:45 p.m. - 1:00 p.m. - Welcome and Update
- Friday afternoon - 1:00 p.m. - 4:00 p.m. - Industry Changes...What You Need to Know!
- Friday evening - 4:15 p.m. - 5:15 p.m. - ATA Membership Meeting
- Friday evening - 5:15 p.m. - 5:30 p.m. - ATA Board of Directors Meeting (Session 2)
- Friday evening - 5:15 p.m. - 6:30 p.m. - Networking Reception
- Saturday - 8:00 a.m. - Noon - Rules and Regulations Using Aerial Technology (Lamar Ellis – Drone Education Services)
- Saturday 1:00 - 5:00 p.m. - The Appraisal Inspection (Bryan Reynolds, Reynolds Consulting Services)

Attendees will have the opportunity to network with fellow appraisal professionals at the breaks and lunch.

Who Should Attend

Anyone who needs to stay on the leading edge of appraisal issues, as well as Professionals who are responsible for keeping appraisal processes in compliance.

Hotel Accommodations

A block of rooms have been reserved for meeting attendees at the Sheraton. Sleeping rooms are \$129 (plus tax) per night for single/double rooms. Reservations must be received by July 15, 2019. After this date, reservations will be accepted on a space and rate availability basis.



Call (866) 961-3327 and mention Association of Texas Appraisers to receive this discounted rate.

These courses are approved for 11 ACE Hours and 8 MCE Hours. (see approval numbers below)

Registration Fees

The fee to attend this meeting is \$130 for ATA members and \$260 for non-members. (Fees increase \$20 14 days before the meeting.)

Registration with payment must be received at least five business days in advance of the conference to guarantee your registration. If you have not received an e-mail confirmation one week prior to the conference, please call ATA at (210) 837-7123, M-F, 9:00 a.m.-4:00 p.m. to confirm your registration.

Exhibitors/Sponsors

If you are interested in exhibiting or sponsoring, please contact info@txappraisers.org or download the [exhibitor/sponsor form](#) at here form.

Cancellations/Refunds

Written requests received three business days prior-full refund; fewer than three business days prior-no refunds will be issued.

*August Meeting Approval Numbers:
TREC Legal II is approved through Provider #0001; MCE: 33198.
Industry Changes...What You Need to Know (ACE: 36973)
Rules and Regulations Using Aerial Technology (ACE: 39676; MCE: 36969 - Provider #9974)
The Appraisal Inspection (ACE: 36977; MCE: 36970 - Provider #9974)

Same Road, New Name?



Crispin Bennett
Allterra Group

It is easy for most of us to look at mortgage loan origination as the only time the real estate valuation is used.

Certainly, it is most important

since the lending decision is made based partly on the collateral valuation presented in the loan package. But, after the loan transaction is closed the valuation lives on throughout the life of the loan.

There is little understanding of the loan life-cycle within the secondary market. To many, the secondary market is some type of hidden mystery that is an unknown frontier. Outside of hearing about the problems that existed in the secondary market during the last financial crisis, it has little press, and little understanding. Terms such as tranches and Residential Mortgage Backed Securities (RMBS) were first heard and read about in the many articles and documentaries that came about after the crash. It was only then that the American public truly understood the risks of certain lending products and valuation products that had become popular over the previous years.

With the financial crisis behind us and the problems fresh in our minds, why then does there seem to be a push towards alternative lending products and valuation products again? Are we heading down the same old road? Some say that we are, and some say that we are not. With that question in mind, there are obvious concerns surrounding how the secondary market is treating these new products. Are the concerns recognized, and if so, how are they being addressed? Armed with the questions, I reached out to some of the leading rating agencies to see how the secondary market is viewing the

changes in valuation that are being discussed and proposed.

What I found was that when it comes to the potential increased risks of alternative valuations on RMBS the agencies are not oblivious to the new products being proposed. The types of appraisal alternatives that they were analyzing included hybrid appraisals, broker price opinions (BPOs), and automated valuation models (AVMs). They found that the types of appraisal alternatives vary across RMBS products, and the risks vary across the appraisal alternatives. Each valuation method presented different strengths and challenges.

As for specific concerns with the increased use of other types of valuation products outside the traditional appraisal, the agencies are uneasy that alternatives to traditional appraisals are drawing increasing interest among U.S. mortgage market partici-



pants, signaling the likelihood of increased use of these alternatives over the coming months and years. They found that such a shift would weaken the credit quality of new residential mortgage-backed securities (RMBS) unless the transactions mitigate certain risks.

The specific types of mitigants were, among other things, (1) use of products with stronger profiles, (2) the nature of their use, such as in quality control or as a primary valuation, (3) borrower or loan attributes that result in stronger and/or more predictable mortgage performance, or (4) additional RMBS credit enhancement.

With increased risks being such a concern, there is an upside to the use of these products for specific uses. In

some situations, greater use of the alternatives could potentially improve RMBS credit quality; for example, decisions to deploy cheaper valuation options could help preempt a shift toward smaller sampling during quality control or due diligence.

Even though the use of these products creates concerns about potential elevated risks, these products appear to be gaining momentum. This popularity is based on reduction of operational costs, increased efficiencies and/or response to the shrinking and aging ranks of US appraisers. This is why mortgage market participants are increasingly exploring the use of these alternatives to traditional appraisals for property valuations and, in some cases, starting to use them more. However, the rating agencies understand that the increased interest that they are drawing signal greater potential risks.

Loans which do not get a full appraisal would be exposed to new risks, such as the quality of the evaluation as well as the lack of standardization of the evaluation process. The level of risk would also depend on certain offsetting factors, such as recently performed appraisals. Other limitations include the inability to pinpoint emerging risks critical to supporting the property valuation due to the inability to incorporate appraisal commentary or recent local news in the analysis.

In addition to the risks proposed by the alternative valuations, the concerns of increased risks are compounded when coupled with the increase in the threshold balance from \$250,000 to \$400,000 for loans made by banks that could use a property evaluation rather than full appraisals. Lima Ekram, AVP, Moody's who spoke at the Valuation Expo in Chicago, provided the following response after the U.S. Treasury's report recommended the increased use of other valuation products:

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Same Road, New Name, con't

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" If implemented, the policy would likely lead to the increased use of automated valuation models (AVMs) and hybrid appraisals to value residential properties in lieu of full appraisals, which could introduce new risks for RMBS, such as systemic model and data errors for AVMs, and for hybrid appraisals, the use of poorer quality information."

While there is certainly no one advocating that the U.S. housing market and economy are in a similar situation to that which occurred prior to the previous financial crisis, there are signs that point to obvious concerns which must be addressed. It is clear

that there are red flags that must be fully observed and addressed, and the results fully vetted for worst-case scenarios.

No one wants to go down the same road we have traveled before. Therefore, it is imperative that all the caution signs are observed, and we are not just trying to change the name of the same old road we have traveled before.

About Crispin Bennett:
As Chief Operating Officer at Allterra Group, Crispin is a seasoned and trusted leader in the valuation profession. His long time career within the industry has created a unique perspective, based on his diverse back-

ground in Governance, Risk Management and Appraisal. A member of the CRN since the early 2000's, Crispin has served as Chief Appraiser for one of the largest AMCs in the nation, Chief Collateral Office for several large banks, and Chief Valuation Officer for Finance. Crispin has authored numerous articles and bulletins, and is a prominent instructor as well as a frequent contributor to industry groups, government agencies, and policymakers.

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Being an Appraiser with a Disability



Dustin Harris The Appraiser Coach

Here are some thoughts on something I know nothing about, but want to get some answers. How does the ADA (Americans with Disabilities Act) affect real

estate appraisers? This act exists to help those with disabilities to have the same advantages of those who do not (at least as much as possible). At the time it first past, there was grumbling from those who had to spend the money to retrofit their buildings into compliance. There were cheers from those who before could not access buildings, elevators, stairwells who now could. My opinion is that the benefits outweighed the costs – but that’s my opinion.

All that said, how does the ADA help appraisers? Or, does it help us at all? How does the ADA protect appraisers? Does it protect us at all? My research indicates that most of the

data on these questions refer to commercial real estate appraisal, not residential such as we do. So where do we look for an answer?

Some of you know that about 10-years ago, my Dad was involved in a bad motorcycle accident. As a result, long story short, he had to give up appraising since he could not get around physically after the accident – it was too painful. Anyway, he retired early from the business, took his Social Security and, despite his entrepreneurial orientation, after a long career, got out of the real estate appraisal business altogether. So here is my question: Could my Dad have hired other appraisers to do inspections for him, thus allowing him to stay at his desk? There, he would have done the analytics of the appraisal from the data the inspecting appraiser provided to him, and then written the appraisal report.

Now, we all know that USPAP does not require us to inspect the property; it merely requires us to disclose if we did not. Yet, despite this, many lenders demand a personal inspection of the proper-

ty. Typically, this means the appraiser who inspects the property also signs the report. Could I have inspected the property, given him all of that data, and then let him write the report? We’d both sign it, with the proper disclosure of who inspected the property and who did not. Would that have worked? I think so but we need your thoughts on the issue.

So, would the ADA have applied here? I do not know, frankly. Please take the time to share your thoughts with me since you may have a take on this I never thought of. Get on my website, open up this podcast (#76), listen to it in its entirety, then let me know your thoughts by commenting on the podcast. I appreciate all your help and input on this!

Click here https://theappraisercoach.com/being-an-appraiser-with-a-disability/?mc_cid=bdcd97a1&mc_eid=2d33c6f2ae

In Memoriam



ATA member, Bill Fenoglio, of Henrietta, TX, passed away Friday, April 26, 2019 in Wichita Falls, TX.

Bill was born October 19, 1940 in Henrietta, TX to Jodie and Ina Mae (Morrow) Fenoglio. He received a Business Degree from Midwestern State University and married Linda Ulrich on February 2, 1963 in Wichita Falls, TX. Bill was a Real Estate Appraiser and a Farmer. He served his country in the [U.S. Navy](#) and was a member of St. Mary’s Catholic Church in Henrietta. He was a member of the Knights of Columbus #1108 and the [Elks Lodge](#) in Wichita Falls.

He is survived by his loving wife Linda; son, Nolan Fenoglio of Rowlett, TX; daughter, Lori Fenoglio of Henrietta, TX; his dogs, Tanner, Nick, Lady and Chica.



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Do Solar Panels Add Value?



Greg Reynolds
First Choice Loan Services
Inc.

It seems that the landscape for appraisers is in a constant state of flux. Regulations, reporting requirements, technology - all seem to change at rates

that make it increasingly more challenging for appraisers to keep themselves current. And in this environment of flux, one of the more challenging, and rapidly changing, landscapes is that of green valuation. Specifically, the issue of valuing solar PV (photovoltaic) systems is a challenge that appraisers would do well to embrace and become familiar with.

Until recently, the combined issues of aesthetic appeal, cost, efficiency, and lack of quantifiable data have made estimating the contributory value of PV systems an exercise in futility, resulting in an environment where appraisers were reluctant to even consider any attempt at putting a dollar value on this amenity. That, however, has changed. Due to dramatic reductions in the cost of PV systems (National Geographic, 2015/10/151002), the much improved aesthetic appeal, and the marked improvements in the efficiency of the systems, residential PV systems are quickly becoming commonplace. In addition, the rising cost (s) of electricity in some markets has made PV systems MUCH more attractive as a means of offsetting some of the increased cost(s). And finally, there is now considerable pressure, both from conscientious homeowners, as well as green advocacy groups, to expand resources devoted to renewable energy. All of this, then, has resulted, not only in the demand for appraisers to recognize the importance of becoming familiar with

their contributory value, but also in affording the appraiser(s) more quantifiable data with which to do so.

In a recent study by the Lawrence Berkeley National Lab (<https://www.osti.gov/biblio/1172644>), almost 23,000 home transactions from 8 states were analyzed between the years of 2002-2013, with the study concluding that homeowners were, on average, willing to pay an additional \$4/W (or \$15,000 for an average-sized 3.6-kW system) for homes with solar systems installed. There is, however, a caveat to this - only homes with 'owned' systems are eligible for the additional value.

In a bulletin disseminated by Fannie Mae, and as part of their current selling guide, guidance regarding the valuation of PV systems is offered to appraisers. From Section B2-3-04: Special Property Eligibility Considerations (02/23/2016), Fannie has outlined a terse requirement that only



'owned' systems may be given contributory value - yet has offered no guidance to appraisers for how to estimate that value.

As with so many other vague, or unique, valuation problems, then, the appraiser is left with the requirement of valuing 'owned' systems by 'correctly employing recognized methods and techniques' (USPAP Standards Rule 1-1(a)). Just which 'recognized methods and techniques', however, apply to the valuation of owned PV systems? According to The Appraisal Of Real Estate

(Chapter 12), some options available to appraisers include paired data, statistical models, cost analysis, income capitalization, qualitative analysis, and trend analysis. And, even as prolific as PV systems have become, it seems that not all of these techniques would produce 'credible' results as pertains to the valuation of said systems.

Statistical modeling requires an adequate number of observations to be reliable, and while that might work on a macro level (see study above), it most likely will not work at the neighborhood level. Qualitative analysis, or to use the more modern term 'sensitivity analysis' could work, but it seems the weight of a PV system adjustment would be excessive for this type of analysis. Cost analysis could be used as well, but as the old adage goes, 'cost does not equal value'. The appraiser is left, then, with two approaches to valuing the monetary contribution of PV systems - namely that of paired data and income capitalization - both quantitative, and both supportable via market data.

Of the two approaches that seem to bear the most merit, paired data is the one most familiar to appraisers, and the one most easily recognizable and understandable to (most) intended users. As all appraisers should be familiar with, this approach utilizes two or more sales 'ceteris paribus', and elicits the value difference between the sale(s) with the PV systems and the sales without. Income capitalization is a bit less straightforward, but can - if used properly - elicit credible results as well. Also known in finance circles as the time value of money approach, this method requires the appraiser to solve for the unknown (PV, or present value) given the known (time, discount rate, initial and terminal values, and periodic payments (or income streams)). There is valid argument that initial and terminal values are not necessary for this approach based on the fact that, once the initial invest-

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Do Solar Panels Add Value?, con't

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ment is sunk, subsequent owners will not be concerned with what the original owner paid for the system - they will only be concerned with the periodic income streams and rate of depreciation (or how long the system will last).

So then, in order for an appraiser to be able to estimate the contribution of a PV system under the income capitalization approach, he or she would need a supportable estimate of the periodic income streams (usually expressed either as a monthly savings or payment), an estimate of the remaining life expectancy of the system, and an appropriate discount

rate. The rest is simply inputting the data into the appraiser's trusty HP12C, and thus extracting an estimate of contributory value for the system. In addition to the relatively higher subjectivity of this approach (as compared to paired data), another potential issue with this approach is that it will sometimes create an 'across the board' adjustment - and, *while there is nothing inherently wrong with this type of adjustment, it can be more challenging for appraisers to get this past their intended users.*

In sum, then, PV system valuation will continue to gain momentum, the data will continue to proliferate, and appraisers will be forced to adapt to this

'green' challenge. Appraisers are, then, well advised to equip themselves with sufficient knowledge and experience - be it through gaining expertise with a knowledgeable appraiser, or through additional coursework - to tackle the problem of estimating contributory value of PV systems.

Greg Reynolds has served the appraisal industry for over 30 years, with exposure as a residential fee appraiser, Chief Appraiser, educator/instructor (including AQB Certified USPAP Instructor), author, and Texas Appraisal Board mentor and peer investigator. Greg holds an MS in Economics, as well as a private pilot's license.

Drone Applications in Real Estate



Lamar Ellis
DroneNOIR, LLC

Drones are already making an impact on real estate and are considered to be an essential tool in some aerial inspections. Drone

videos and pictures have changed the way properties are viewed. Don't assume that one client will generate enough business for you to make a comfortable living, diversify and think outside the box.

Drones give access to hard to reach places, can obtain more images from different angles and are more time efficient to use. Upon completion of an operation, you can view, choose and edit your photographs on a computer and mark areas of interest for additional inspection using Latitude and Longitude. Real-time Inspections are far more valuable than Google Earth and Bing Maps. Using a drone for aerial inspections can identify potential problems while they are still small and showcase and identify

quality issues. But one of the most useful features of using drones for aerial data gathering is the acquisition of unintended information. During one real estate valuation project the unintended information of traffic flow was noticed and changed the way the property was valued and marketed for lease.

Real estate has multiple opportunities which can be provided doing similar services. Here are some of the services that could be conducted on one property:

Real Estate Brokers and Agents

Drones can provide unique material for marketing a property. Brokers and

agents have taken advantage of the ability to showcase property features that were previously unobtainable to potential clients. Aerial shots can create a personal connection that cannot be found in land-based photographs or videos. An expensive drone is not needed to gather useful information for promotional material. Finally, due to the consumer's awareness in using the internet, multiple properties can be inspected from the comfort of a home or office before actually visiting the site.

Real Estate Appraiser

A real estate appraiser is interested in valuing the property. Drones are a tool which can assist in the ability to make educated and informed decisions from a unique perspective.



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Drone Applications in Real Estate, con't

(Continued from page 8)

There are many advantages to using a drone for appraisal practice. The main one being the ability to have access to hard to reach places. Areas considered previously unobservable such as rooflines, air conditioning units, gutters, etc. can be seen using the correct equipment. Not only can these items be observed, but areas of interest can be identified for additional inspection. Furthermore, this is a real-time inspection on the date of inspection. Drone videos and pictures are changing the way properties are viewed.

Insurance Agent

Insurance companies are interested in the condition of the property and having a base-line for what the properties condition was as of a certain date. From this baseline, damage assessments can be accurately estimated. It also increases assessment accuracy and the response time by quickly and accurately identifying changes to the properties condition.

Tax Assessor

The tax assessor is interested in the current improvements to the property. An aerial drone allows for more property inspections because they are less intrusive and can cover more ground from the air. Improvements and damages can be accurately assessed leading to a more accurate assessment value. Due to the decreased staffing in assessor's office, using a drone is an alternative to an on-site inspection. A drone can view a larger amount of properties in a shorter period of time.

Roof Inspector

Roof damage, moisture detection and heat loss can be easily determined using the correct sensors and equipment attached to an aerial drone. The size of roof can be easily estimated so that the correct amount of materials can be allocated and used for each job.

Owners and Investors

Owners and investors are proud of their properties and sometimes they want to show them off. One way is by having an aerial photograph of their property framed and displayed. An aerial photograph can be used as promotional material for the property.

Builders and Developers

Builders and developers are interested in adding on or constructing to the property. In development, the progress of a job site can be easily assessed. Project managers can view properties in real time as they are being aerially inspected. A positive allocation and use of resources can be determined. Aerial inspections can aid in the estimate time of completion and ensure that the contractor is following the contract. Improvements can be developed using 3-dimensional models and property can be developed into 2-dimensional orthomosaics. These models can show contours and showcase features of a property. The models can be created to determine the actual scope and magnitude of an operation.

Attorneys

Attorneys are interested in settling litigation on the property. Using a drone helps to create the image of a more thorough report and looks more

credible in the eyes of a jury. It also helps the judge and jury to identify with the property easier. Finally, the images are in real-time, which can easily look different than images acquired from Google Earth or Bing Maps.

Architecture

Aerial photographs and videos are aiding in the creation of improvements to support drone uses. There will be needs for landing pads, charging stations and antenna sites for drones. Buildings are being redesigned to accommodate small electric aircraft or shipping drones.

In Conclusion

From just one property there is a number of different sources of income to be had. Think about all the opportunities in regards to a property. Think outside the box.

Lamar H. Ellis, III is the CEO of DroneNOIR, LLC. He is from Atlanta, Georgia and holds the MAI and SRA designations with the Appraisal Institute along with a Remote Pilot Certificate for commercial drone operations. He is an approved instructor with the Appraisal Institute and provides consultation for Drone companies all over the United States for risk mitigation and compliance. Along with being a published author, he also presents seminars across the United States on the impact of the drone industry.

For more info on drones, attend the ATA Annual Meeting in Georgetown on Aug. 10. Lamar will be presenting *Rules and Regulations Using Aerial Technology.*

ATA Membership Benefits

ATA membership benefits include:

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20 Misused Word



Travis Bradberry

English grammar can be tricky, and, a lot of times, the words that sound right are actually wrong.

We're all guilty of this from time to

time, myself included.

When I write, I hire an editor to review my articles before I post them online. It's bad enough to have a roomful of people witness your blunder and something else entirely to stumble in front of 100,000!

Point is, we can all benefit from opportunities to sharpen the saw and minimize our mistakes. Often, it's the words we perceive as being more "correct" or sophisticated that catch us by surprise when they don't really mean what we think they do. These words have a tendency to make even really smart people stumble.

Have a look to see which of these commonly confused words throw you off.

Accept vs. Except

These two words sound similar but have very different meanings. Accept means to receive something willingly: "His mom accepted his explanation" or "She accepted the gift graciously." Except signifies exclusion: "I can attend every meeting except the one next week."

To help you remember, note that both except and exclusion begin with ex.

Affect vs. Effect

To make these words even more confusing than they already are, both can be used as either a noun or a verb.

Let's start with the verbs. Affect means to influence something or someone; effect means to accomplish something. "Your job was affected by the organizational

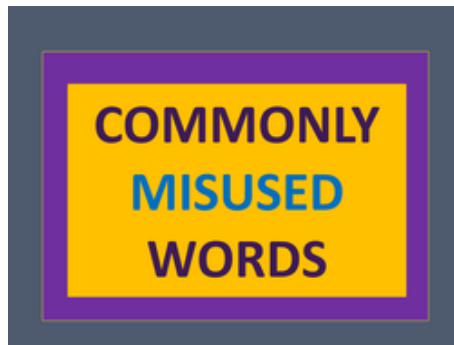
restructuring" but "These changes will be effected on Monday."

As a noun, an effect is the result of something: "The sunny weather had a huge effect on sales." It's almost always the right choice because the noun affect refers to an emotional state and is rarely used outside of psychological circles: "The patient's affect was flat."

Lie vs. Lay

We're all pretty clear on the lie that means an untruth. It's the other usage that trips us up. Lie also means to recline: "Why don't you lie down and rest?" Lay requires an object: "Lay the book on the table." Lie is something you can do by yourself, but you need an object to lay.

It's more confusing in the past tense. The past tense of lie is—you guessed it—lay: "I lay down for an hour last night." And the past tense of lay is laid: "I laid the book on the table."



Bring vs. Take

Bring and take both describe transporting something or someone from one place to another, but the correct usage depends on the speaker's point of view. Somebody brings something to you, but you take it to somewhere else: "Bring me the mail, then take your shoes to your room."

Just remember, if the movement is toward you, use bring; if the movement is away from you, use take.

Ironic vs. Coincidental

A lot of people get this wrong. If you break your leg the day before a ski trip, that's not ironic—it's coincidental (and bad luck).

Ironic has several meanings, all of which include some type of reversal of what was expected. Verbal irony is when a person says one thing but clearly means another. Situational irony is when a result is the opposite of what was expected. O. Henry was a master of situational irony. In "The Gift of the Magi," Jim sells his watch to buy combs for his wife's hair, and she sells her hair to buy a chain for Jim's watch. Each character sold something precious to buy a gift for the other, but those gifts were intended for what the other person sold. That is true irony.

If you break your leg the day before a ski trip, that's coincidental. If you drive up to the mountains to ski, and there was more snow back at your house, that's ironic.

Imply vs. Infer

To imply means to suggest something without saying it outright.

To infer means to draw a conclusion from what someone else implies. As a general rule, the speaker/writer implies, and the listener/reader infers.

Nauseous vs. Nauseated

Nauseous has been misused so often that the incorrect usage is accepted in some circles. Still, it's important to note the difference. Nauseous means causing nausea; nauseated means experiencing nausea.

So, if your circle includes ultra-particular grammar sticklers, never say "I'm nauseous" unless you want them to be snickering behind your back.

Comprise vs. Compose

These are two of the most commonly misused words in the English language. Comprise means to include; compose means to make up.

It all comes down to parts versus the whole. When you use comprise, you put the whole first: "A soccer game comprises (includes) two halves." When you use compose, you put the pieces first: "Fifty states compose (make up) the United States of America."

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Farther vs. Further

Farther refers to physical distance, while further describes the degree or extent of an action or situation. "I can't run any farther," but "I have nothing further to say."

If you can substitute "more" or "additional," use further.

Fewer vs. Less

Use fewer when you're referring to separate items that can be counted; use less when referring to a whole: "You have fewer dollars, but less money."

Bringing It All Together
English grammar can be tricky, and, a lot of times, the words that sound right are actually wrong.

With words such as those listed above, you just have to memorize the rules so that when you are about to use them, you'll catch yourself in the act and know for certain that you've written or said the right one.

From www.theladders.com

Dr. Travis Bradberry is the award-winning co-author of the #1 bestselling book, Emotional Intelligence

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Appraiser Awards/Scholarship

Don't forget ATA's **Regional Outstanding Service Awards**. If you feel someone is deserving of one of the Awards, you can nominate them for an Outstanding Service Award. The **Rio Grande Valley Outstanding Service Award** nomination is due by **June 17th**. You can also self-nominate.

Also, don't forget about the **Pospisil Scholarship Award**. You can nominate (or self-nominate) to receive \$100 toward your education.

[Click here](#) for links to the Outstanding Service Award Nomination and Pospisil Scholarship Award forms.

TALCB Corner

Mark your calendar for the next TALCB meeting, scheduled for Aug. 23 at 10 a.m. at the Stephen F. Austin Building, Room 170, 1700 North Congress, Austin, TX.

Log on to <https://www.talcb.texas.gov/> and download the agenda and meeting materials.

If you can't make the meeting in person, it will be broadcast live on the TALCB website.



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